

THE SHREWSBURY & NEWPORT CANALS TRUST

(A Company Limited by Guarantee)

Registered Company Number 4075920 (England & Wales)

Registered Charity Number: 1088706

Report of the Trustees

and

Financial Statements

Year ended 30th September 2020

The trustees of the charity, who are also directors of the company, present their report with the financial statements of the charity for the year ended 30th September 2020. The Trustees have adopted the provisions of The Charities (Accounts & Reports) Regulations 2008.

TRUSTEES

Those who held office as directors and trustees during this year and on the date the report was approved are:

Stephen Christopher Bean	Alan Frank Boney	David Peter Crow
Sherrel Gillian Fikeis	Alan David Harding	John Edward Heather
Bernard Charles Jones (chair)	Philip Michael Jones	Steven Hugh Jones;
Stephen Andrew Kearney	John Myers	John Metcalfe Stevens
David Ray	Keith Vaughan Welch	

Brian David Nelson was also a director and trustee throughout the year.

BANKERS

The Trust held bank accounts during the year with:

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent;
Cambridge & Counties Bank, Charnwood Court, 5B New Walk, Leicester; and
NatWest, 217 Dean St, Telford Town Centre, Telford.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust is a company limited by guarantee, incorporated on 21st September 2000, registered in England number 4075920. The governing document is the Articles of Association which was adopted on 2nd June 2018. The Trust is registered as a charity, number 1088706. The registered office is 4 Arcscott, Pontesbury, Shrewsbury, Shropshire.

All activities and expenditure of the Trust are approved by the Board of Trustees. Trustees are elected from within the membership and have overall responsibility for the management of the Trust's affairs and decision-making. Any member can be nominated for election as a Trustee, such election and appointment being made at the Annual General Meeting. One third of Trustees retire by rotation each year and can stand for re-election. Additional Trustees may also be co-opted as and when vacancies arise. Trustees usually meet as a full Board six times per annum. Day to day management of the affairs of the Trust is delegated to individual Trustees and to sub-committees with responsibility for specific aspects and areas of the charity's operations.

The Trustees have identified and reviewed the major risks to which the charity is exposed. A formal Health & Safety Policy document is in place, reviewed and action taken to mitigate exposure and to revise the policy. For events involving access by the public, risk assessment procedures are carried out. Major risks are covered by appropriate insurance to cover both public and employee (volunteers) liabilities. Appropriate financial controls and policies are in place to prevent financial irregularities, and the accounts are subject to independent examination.

The Trustees have adopted a new reserves policy during the course of the year. The policy is to maintain sufficient reserves to finance the day to day running of the charity for a period of approximately 12 months, to permit the Trust to continue to function in the event of a total absence of income and, if necessary, to wind the company up in a controlled manner. This is set as the total expenditure (excluding expenditure on the Trust's direct objective of restoration, such as materials, contracted services, volunteer work party expenditure) as reported in the previous year's annual accounts,

OBJECTIVES, ACTIVITIES & ACHIEVEMENTS

The objectives of the charity are: -

- to promote and undertake the restoration of the Shrewsbury Canal between Shrewsbury and Trench in the county of Shropshire and of the Newport branch of the Shropshire Union Canal, including the Humber Arm, between Wappenshall Junction and Norbury Junction in the county of Staffordshire, by the original route or diversions as necessary (hereinafter together called "the Canals") to good and navigable order and to promote and undertake the maintenance and improvement of the Canals, associated structures and buildings for the benefit of the public.
- to promote the fullest use of the Canals by all forms of waterborne traffic and for all forms of water-related commercial, local amenity, tourist and recreational activity for the public benefit.
- to promote the education of the public in the history and use of the canals and waterways and of the Canals in particular.

Public Benefit Report

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

This was a year of two halves, progress with all ongoing projects being seriously adversely affected by both the Covid-19 pandemic and storms.

The Trust's main focus has continued to be the restoration, conservation and maintenance of the two fine Grade II listed early 19th century canal warehouses at Wappenshall, which the Trust leases from Telford & Wrekin Council. In the first six months of the year work was progressed on the restoration of the buildings, largely using volunteer labour, with rotten floorboards and joists replaced; new walls built and others repaired; and a bat loft and barn owl roost construction commenced to meet planning permission conditions. In addition, the east basin was excavated by contractors.

The Trust has been very generously gifted a pair of Town Class (Large Woolwich) narrowboats which were built in 1936 by Harland & Wolff. The plan was to navigate them from the Grand Union Canal back to Norbury Junction, where they will be restored, but because of the pandemic they were only able to make it halfway before lockdown. Following restoration, they will be used to promote the Trust and will eventually be transported to Wappenshall to be used as 'floating classrooms' as part of Trust's educational programme to teach youngsters and adults about the history of the canals and the working people and boats.

The boats were planned to be a major feature of the Trust's main annual event, the Norbury Festival and Boat Rally, but inevitably this had to be cancelled. Although many boat owners and stallholders had already booked many requested their fees be held over in optimism that the 2021 event would take place.

Elsewhere along the line of the canal, improvements have been carried out at several sites towards full restoration, and to enhance facilities for public access and enjoyment.

At Berwick work has continued by Trust volunteers, with assistance from the Waterway Recovery Group, the Canal and River Trust and National Trust volunteers, to enhance the areas at both ends of the tunnel and the section of canal and towpath from the tunnel to Berwick Wharf has been cleared and reached the position where it at least resembles a navigable canal.

In Newport regular volunteer work parties continued, as much as possible in the conditions, to maintain improvement works, clear Himalayan balsam and plant hedging. In addition, the installation of a set of old lock gates at the Town Lock to give the impression of a working lock until full restoration can be carried out, was also delayed.

At Forton, the completion of works to restore the canal around the aqueduct has continued to be delayed due to land access issues.

As well as physical work, efforts to ensure the primary objective of restoring the whole canal is not endangered has been made by lobbying and working with Local Authorities to recognise the canal in short-term and long-term planning.

FINANCIAL REVIEW

The charity's principal funding sources are from membership subscriptions, donations and grants. The Trustees monitor and maintain sufficient funds to meet day to day needs of the charity.

In addition to the funds dedicated in the previous year to projects at Wappenshall, Berwick, Forton and Newport, an additional fund has been established for the restoration of the narrowboats, although no funds have been dedicated from General funds as it is anticipated that separate funding sources can be realized. The funds and movements during the year are shown in these accounts.

Expenditure on the restoration at Wappenshall has been capitalised, including that for the year ended 30 September 2019, resulting in higher fixed assets and funds held. Most of the increase in funds is in the restricted funds, which are now held as part of the property restoration costs; the expenditure having been capitalised rather than written off as an annual cost.

The financial results are set out in the statement of accounts for the year. There are no funds in deficit; and no funds were held on behalf of others. All funds are deposited in UK banks.

SMALL COMPANY PROVISIONS

The company has taken advantage of the small companies' exemption in preparing the report above.

The trustees declare that they have approved the trustees' report (including directors' report) above.

Signed on behalf of the Board of Trustees

Stephen Christopher Bean, Director

Date of Approval by the Board: 20 May 2021

INDEPENDENT EXAMINER'S REPORT

Independent Examiner's Report to the Trustees of The Shrewsbury & Newport Canals Trust

I report on the accounts of the company for the year ended 30 September 2020, which are set out on pages 5 to 9.

Responsibilities and Basis of Report

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act).

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Andrew Mitchell FCA
Castlefields Accountancy Limited
23 Benyon Street
Shrewsbury

May 2021

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
For the Year ended 30th September 2020

	£	2020 £	£	2019 £
	Unrestricted	Restricted	Total	Restated
INCOME				
Income and endowments from:				
Membership Subscriptions & Donations	7,672	-	7,672	6,905
Other Donations & Grants	66,551	20,493	87,044	58,814
Gift Aid	1,971	-	1,971	3,233
Sales	2,863	-	2,863	1,712
Norbury Rally & Festival	-	-	-	3,857
Members' Events	-	-	-	224
Sponsorship & Advertising	2,400	-	2,400	2,514
	81,457	20,493	101,950	77,259
Income from Investments:				
Bank Interest	1,283	-	1,283	1,350
TOTAL INCOME	82,740	20,493	103,233	78,609
EXPENDITURE				
Costs of generating funds:				
Goods for Resale	260	-	260	254
Norbury Rally	196	-	196	366
Bank & Financial Charges	195	-	195	60
Promotional Costs	-	-	-	581
	651	-	651	1,261
Charitable activities:				
Wappenshall	2,322	-	2,322	888
Work Parties	1,392	-	1,392	2,882
Insurance	4,980	-	4,980	5,022
Stationery, Printing & Postage	1,520	-	1,520	1,502
Members' Newsletter & Events	787	-	787	968
Repairs to Equipment	396	-	396	613
Loss(Profit) on Disposals of Fixed Assets	57	-	57	(374)
Depreciation	936	-	936	284
	12,390	-	12,390	11,785
Governance costs:				
Subsistence & Travel Expenses (see Note 8)	3,229	-	3,229	7,402
General Administration Expenses	1,083	-	1,083	1,892
	4,312	-	4,312	9,294
TOTAL EXPENDITURE	17,353	-	17,353	22,340
NET INCOME	65,387	20,493	85,880	56,269
RECONCILIATION OF FUNDS				
Total funds brought forward				
As previously stated	184,806	-	184,806	156,896
Prior Year Adjustments	8,359	20,000	28,359	
Restated	193,165	20,000	213,165	156,896
TOTAL FUNDS CARRIED FORWARD	258,552	40,493	299,045	213,165

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

BALANCE SHEET AS AT 30th SEPTEMBER 2020

	Note	£	2020 £	£	2019 £
		Unrestricted	Restricted	Total	Restated
Fixed Assets	2				
Wappenshall Improvements		42,564	34,493	77,057	28,359
Boats		25,000	-	25,000	-
Office Equipment, Furniture & Fixtures		104	-	1,747	202
Tools		3,570	-	3,570	935
		71,308	34,493	105,801	29,496
Current assets					
Banks - Current Accounts		20,147	-	20,147	5,207
Banks - Savings Accounts		165,794	6,000	171,794	174,718
Debtors	3	2,064	-	2,064	3,744
		188,005	6,000	194,005	183,669
Creditors: amounts falling due within one year	4	761	-	761	-
Net Current Assets		187,244	6,000	193,244	183,669
Total Assets less Current Liabilities		258,552	40,493	299,045	213,165
FUNDS					
Restricted Funds		-	40,493	40,493	28,359
Unrestricted Funds:					
Designated Funds	5	178,746	-	178,746	145,199
Reserve Fund		11,000	-	11,000	-
General Funds		68,806	-	68,806	47,966
		258,552	-	258,552	193,165
TOTAL FUNDS		258,552	40,493	299,045	213,165

For the financial year ended 30 September 2020, the company was entitled to the exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with Section 476 of the Companies Act 2006;
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS102 SORP.

Stephen Christopher Bean, Director

Date of Approval by the Board: 20 May 2021

Notes to the Financial Statements for the year ended 30th September 2020**1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value.

The accounts have been prepared in accordance with:

- the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014;
- the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The comparative figures for the year ended 30 September 2019 have been amended to reflect the capitalisation of expenditure on refurbishment of the Wappenshall buildings, which had originally been treated as a cost in the year. The total expenditure now capitalised in 2019 was £28,359, of which £20,000 was attributable to Restricted Funds. The opening funds for the year ended 30 September 2020 have been adjusted accordingly.

Fixed assets

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	20% pa on a reducing balance basis
Office Equipment	20% pa on a reducing balance basis
Tools	20% pa on a reducing balance basis

Incoming resources

Income is generally recognised on a receivable basis where the amount is reasonably certain and where there is adequate certainty of receipt. The specific bases used are as follows:

- Voluntary income includes members subscriptions, donations, legacies and grants receivable.
- Legacies are recognised as income where there is a certainty of entitlement to receipt of funds.
- Fundraising income is accounted for on a receivable basis.
- Investment income is accounted for on a receivable basis.
- Charitable activity income is accounted for when earned. Activity income received in advance is deferred until entitlement to the income has arisen.
- Grants are recognised when entitlement to the grant is confirmed. Grants that provide core funding or are of a general nature provided by the government and charitable foundations are recorded as voluntary income.

Resources expended

Expenditure is recognised when a liability is incurred on the following bases:

- Costs of generating funds includes the costs associated with attracting voluntary income and running fundraising events.
- Charitable expenditure comprises direct expenditure attributable to the Charity's activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources as detailed below.
- Governance costs include those costs incurred in the governance of the Charity's assets and are associated with constitutional and statutory requirements.

Notes to the Financial Statements for the year ended 30th September 2020

1. ACCOUNTING POLICIES (continued)

- Support costs include the Charity's central functions and have been allocated to activity cost categories on a basis consistent with the total unrestricted costs for each charitable activity as a percentage of the charitable company's total direct costs to reflect the consumption of costs incurred in the furtherance of each of the charitable activities.

Funds

Designated funds are unrestricted funds set aside for specific purposes and which otherwise would form part of the Charity's general funds.

Other unrestricted funds are available for the Charity to carry out any of its charitable activities.

Restricted funds are funds that have restrictions imposed by donors and can only be applied for the particular purposes specified by the donor.

2. TANGIBLE FIXED ASSETS

	Wappenshall Improvements	Boats	Tools	Office Equipment, Furniture & Fixtures	Total
COST					
As at 1 st October 2019	28,359	-	1,621	3,675	33,655
Additions	48,698	25,000	3,600	-	77,298
Written off items	-	-	(271)	(1,644)	(1,915)
As at 30 th September 2020	77,057	25,000	4,950	2,031	109,038
DEPRECIATION					
As at 1 st October 2019	-	-	686	3,473	4,159
Charge for the year	-	-	892	44	936
Written off items	-	-	(268)	(1,590)	(1,858)
As at 30 th September 2020	-	-	1,310	1,927	3,237
NET BOOK VALUE					
As at 30 th September 2020	77,057	25,000	3,640	104	105,801
As at 30 th September 2019	28,359	-	935	202	29,496

3. DEBTORS

	<u>2020</u>	<u>2019</u>
HMRC - VAT	2,064	511
HMRC - Gift Aid	-	3,233
	<u>2,064</u>	<u>3,744</u>

4. CREDITORS: Amounts falling due within one year

	<u>2020</u>	<u>2019</u>
Norbury Canal Festival 2021 Prepayments	762	-

Notes to the Financial Statements for the year ended 30th September 2020**5. SUMMARY OF FUNDS**

Trustees have designated from General Funds sums to various projects and agreed to maintain designated accounts for other projects. Unrestricted grants raised and other donations received with a request that they be used for a particular purpose will be held in designated accounts. With the acquisition of two narrowboats a further fund was set up during the year to hold funds for their restoration. The movements for these accounts are:

Fund Name	Balances brought forward	Income	Expenditure	Transfer	Balances carried forward
Boats Restoration	-	453	-	-	453
Forton Project	20,000	-	-	-	20,000
Newport Projects	430	4,986	510	-	4,906
Shrewsbury (Berwick) Projects	8,043	8,400	1,275	-	15,168
Wappenshall Development (excluding restricted funds)	116,726	23,815	2,322	-	138,219
Total Designated Funds	145,199	37,654	4,107	-	178,746
Reserve				11,000	11,000
General Funds	47,966	45,086	13,246	(11,000)	68,806
Total Unrestricted Funds	193,165	82,740	17,353	-	258,552
Restricted Funds					
Wappenshall Development	20,000	20,493	-	-	40,493
	213,165	103,233	17,353	-	299,045

6. RESTRICTED FUNDS

Restricted income during the year was made up of five grants totalling £20,493 to be applied to the Wappenshall Development. Due to Covid-19 restrictions delaying carrying out all of the work £6,000 of this amount remained unspent at the year end.

7. COMPANY LIMITED BY GUARANTEE

The company has no share capital but is a charitable company limited by guarantee. Under the Memorandum of Association of the company the liability of individual members is restricted to a maximum of £1.

8. TRUSTEES' REMUNERATION

None of the Trustees received any remuneration for their services during the year.

During the year, travel expenses to the value of £971 were paid to Trustees, who subsequently repaid the same amounts as donations (on which appropriate Gift Aid can be claimed) to the charity (2019: £5,575).

9. INDEPENDENT EXAMINER'S FEES

Included in Governance costs are fees of £350 paid to the Independent Examiner (2019: £350).